

Fiscal Estimate Narratives
DOR 3/18/2005

LRB Number	05-2230/1	Introduction Number	SB-102	Estimate Type	Original
Subject					
Changes to a tax incremental district (TID) in Kenosha					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, project costs of a tax increment district (TID) are required to be expended within the boundaries of a TID. Under the bill, project costs of a blighted TID located in the City of Kenosha could be spent on territory within a half mile radius of the boundary of the TID. Based on the Department data, the bill would apply to TID #4 in the City of Kenosha.

Under current law, the expenditure period of project costs of a TID is limited to five years before the unextended termination date of the TID. This bill would expand the expenditure periods for Kenosha TIDs #1, #4, and #5 for up to 37 years.

To the extent that project costs would be incurred for a larger territory and for a longer period of time, the bill would result in longer lives for Kenosha TIDs. As a result, overlying taxing jurisdictions, such as the school district, county and vocational college district, would be required to forego the tax base associated with the development within TIDs for longer periods.

The bill would increase the Department costs associated with monitoring the different requirements and time limits. These costs would be absorbed.

Long-Range Fiscal Implications